



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-106-2005
October 25, 2005

REGULATORY RELIEF

Steps to Help Rebuild Areas Affected by Hurricane Wilma

Summary: The Federal Deposit Insurance Corporation has announced a series of steps intended to facilitate the rebuilding process in areas damaged by Hurricane Wilma and associated severe storms.

Distribution:

FDIC-Supervised Banks (Commercial and Savings)
in Florida

Suggested Routing:

Chief Executive Officer
Compliance Officer
Chief Lending Officer

Related Topics:

Lending
Publishing Requirements
Consumer Laws

Attachment:

Supervisory Practices Regarding Depository
Institutions and Borrowers Affected by Hurricane
Wilma and Associated Severe Storms

Contact:

Acting Assistant Regional Director Bruce Rollinson
at brollinson@fdic.gov or (678) 916-2220

Note:

FDIC financial institution letters (FILs) may be
accessed from the FDIC's Web site at
<http://www.fdic.gov/news/news/financial/2005/index.html>.

To receive FILs electronically, please visit
<http://www.fdic.gov/about/subscriptions/fil.html>.

Paper copies of FDIC financial institution letters
may be obtained through the FDIC's Public
Information Center, 801 17th Street, NW, Room
100, Washington, DC 20434 (1-877-275-3342 or
202-416-6940).

Highlights:

- Hurricane Wilma and associated severe storms have resulted in wind damage, heavy rainfall and flooding in Florida.
- The FDIC is encouraging banks to work constructively with borrowers who, because of the natural disaster, are experiencing difficulties beyond their control.
- Extending repayment terms, restructuring existing loans or easing terms for new loans, if done in a manner consistent with sound banking practices, can contribute to the health of the community and serve the long-term interests of the lending institution.
- The FDIC will also consider regulatory relief from certain filing and publishing requirements.

**SUPERVISORY PRACTICES REGARDING
DEPOSITORY INSTITUTIONS AND BORROWERS AFFECTED
BY HURRICANE WILMA AND ASSOCIATED SEVERE STORMS**

The Federal Deposit Insurance Corporation (FDIC) recognizes the serious impact of the recent hurricane and severe storms on the operations of financial institutions and will provide regulatory assistance to institutions subject to its supervision. These initiatives are being taken to provide regulatory relief and facilitate recovery. The FDIC encourages depository institutions in the affected disaster areas to meet the financial service needs of their communities.

Lending. Bankers should work constructively with borrowers in communities affected by the hurricane and associated severe storms. The FDIC realizes that the effects of such natural disasters on local businesses and individuals are often transitory, and that prudent efforts to adjust or alter terms on existing loans in areas affected by the hurricane and storms should not be subject to examiner criticism. In supervising institutions impacted by the disaster, the FDIC will take into consideration the unusual circumstances they face. The agency recognizes that efforts to work with borrowers in communities under stress can be consistent with safe and sound banking practices as well as in the public interest.

Reporting Requirements. FDIC-supervised institutions affected by the hurricane and severe storms should notify their FDIC regional office if they expect a delay in filing their Reports of Income and Condition (Call Reports) or other reports. The FDIC will take into consideration any causes beyond the control of a reporting institution in determining how long of a filing delay will be acceptable.

Publishing Requirements. The FDIC understands that the damage caused by the recent hurricane and severe storms may affect compliance with publishing and other requirements for branch closings, relocations and temporary facilities under various laws and regulations. Banks that have disaster-related difficulties in complying with any publishing or other requirements should contact the FDIC's Atlanta Regional Office at (678) 916-2220.

Consumer Laws. Regarding consumer loans, Regulation Z provides consumers an option to waive or modify the three-day rescission period when a "bona fide personal financial emergency" exists. To exercise this option, the consumer must provide the lender with a statement describing the emergency in accordance with the regulation.